EXHIBIT D

GOVERNMENT OF PUERTO RICO

Puerto Rico Fiscal Agency and Financial Advisory Authority

Municipal Secondary Market Disclosure Information Cover Sheet
Municipal Securities Rulemaking Board (MSRB)
Electronic Municipal Market Access System (EMMA)

Additional / Voluntary Event-Based Disclosure

THIS FILING RELATES TO ALL OR SEVERAL SECURITIES ISSUED BY THE ISSUER, OR ALL OR SEVERAL SECURITIES OF A SPECIFIC CREDITOR:

Issuer's Name: **Puerto Rico Electric Power Authority (PREPA)**

Other Obligated Person's Name (if any): ____

Six-digit CUSIP number(s): **745268 and 74526Q**

TYPE OF INFORMATION PROVIDED:

A. ☐ **Amendment to Continuing Disclosure Undertaking**

B. ☐ **Change in Obligated Person**

C. ☐ **Notice to Investor Pursuant to Bond Documents**

D. ☐ **Communication from the Internal Revenue Service**

E. ☐ **Bid for Auction Rate and Other Securities**

F. ☐ **Capital or Other Financing Plan**

G. ☐ **Litigation / Enforcement Action**

H. ☐ **Change of Tender Agent. Remarketing Agent or Other On-going Party**

I. ☐ **Derivative or Other Similar Transaction**

J. ☒ **Other Event-Based Disclosures: Mediation Disclosure Materials**

I represent that I am authorized by the issuer, obligor or its agent to distribute this information publicly.

/s/ Julian M. Bayne Hernández
Julian M. Bayne Hernández
Puerto Rico Fiscal Agency and Financial Advisory Authority,
as Fiscal Agent for PREPA

Dated: September 16, 2022

FAFAA

PUERTO RICO ELECTRIC POWER AUTHORITY

NOTICE OF VOLUNTARY FILING

SUMMARY OF MATERIALS EXCHANGED IN MEDIATION

Pursuant to orders of the United States District Court for the District of Puerto Rico presiding over the debt restructuring case of the Puerto Rico Electric Power Authority ("PREPA") under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act, the Financial Oversight and Management Board for Puerto Rico (the "FOMB") and the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF") entered into mediation regarding a potential settlement of, among other things, PREPA's indebtedness under its revenue bonds held or insured by members of the Ad Hoc Group of PREPA Bondholders, National Public Finance Insurance Company, Assured Guaranty Corp. and Assured Guaranty Municipal Corp., and Syncora Guarantee, Inc. (collectively, the "Bond Parties").

During this mediation, confidential information was exchanged among the parties. On September 16, 2022, this mediation terminated without the parties having reached a consensual resolution of their disputes.

A summary of the last settlement proposal made by the Bond Parties is attached hereto as Exhibit A.

A summary of the last settlement proposal made by the FOMB on behalf of PREPA is attached hereto as Exhibit B.

Dated: September 16, 2022

THIS NOTICE IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A TITLE III PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE INCORPORATED INTO PROMESA SECTION 301. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND PROVISIONS OF PROMESA.

EXHIBIT A

BOND PARTIES PROPOSAL SUMMARY

PREPA

AUGUST 4TH PROPOSAL

FROM AD HOC GROUP OF PREPA BONDHOLDERS, ASSURED GUARANTY CORP AND ASSURED GUARANTY MUNICIPAL CORP, NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION AND SYNCORA GUARANTEE INC.

AUGUST 4TH 2022 | PREPARED AT THE DIRECTION OF COUNSEL | SUBJECT TO MEDIATION PRIVILEGE | SUBJECT TO FRE 408 AND SIMILAR RULES

Executive Summary

Bondholder Proposal Adopts FOMB Connection Charge and Addresses Open Issues

- **While bondholders believe their proposed volumetric charge was affordable and involved fewer implementation considerations, in the interests of reaching a deal, bondholders are prepared to incorporate a connectivity charge under a revised proposal (the "August 4th Proposal")**

- **Relative to the FOMB's July 27th Proposal, the August 4th Proposal requires limited amendments that do not materially impact affordability**
  - Increases initial average monthly connectivity charge from an average of ~$23/month under FOMB proposal to $26/month, with the connectivity charge remaining in place for 50 years and growing annually at the rate of inflation
  - Introduces contingent volumetric charge of 0.67c/kWh that is only paid to bondholders in years in which there is cumulative load outperformance
  - Bond consideration at 60.50% of Accrued Claim, which equates to 78.4% of prepetition claim (assuming an effective date of 1/1/23)
    - Using an assumed effective date of 1/1/23, compares to bond consideration as a percentage of prepetition claim of 98.4% under the RSA, 90.7% under bondholders' May 6th Proposal, and 84.2% under bondholders' June 30th Proposal
    - Bondholders view the terms of the August 4th Proposal, including the amount of bond consideration, on a holistic basis and all terms are interdependent on one another

- **August 4th Proposal equates to 2.87c/kWh on FY21 consumption growing at the rate of inflation, plus a contingent 0.67c/kWh**

- **To the extent the FOMB wishes to limit electricity rate increases, the Commonwealth should be required to reimburse PREPA for significant electricity subsidies that are not provided on an arms-length basis rather than look to bondholders to subsidize PREPA**
  - Such reimbursements can be used to subsidize rates including by implementing a rate stabilization fund for ratepayers

August 4th Proposal – Comparison

	July 27th FOMB Proposal	August 4th Proposal
Exchange Ratio	▪ 70% of petition claim (54% of accrued claim)	▪ 60.50% of Accrued Claim(1) in tax-exempt bonds (the "Bonds") ▪ Using a 1/1/23 assumed effective date, 60.50% of Accrued Claim equals 78.4% of petition claim
Connectivity Charge	▪ Equivalent Connectivity Fixed Charge of 2.596 c/kWh that will pay off the bonds by year 35 using Luma customer data as of 2021 ▪ Connectivity Fixed Charge will only increase if revenue from customer accounts underperforms to put repayment of revenue bonds past final maturity	▪ Connectivity fixed charge to (i) remain in effect for 50 years, (ii) initially equal $26/month assuming 1.5mm customers, and (iii) increase on annual basis at the rate of US CPI ▪ Compares to flat ~$23/month just for the life of the bonds under July 27th FOMB Proposal ▪ FOMB to determine allocation between and among classes, subject to reasonable consent of bondholders
Bond Structure	▪ Bonds to receive payment from cash flows generated by a connectivity fixed charge ▪ Revenue Bonds will have a fixed charge covenant at 1.00x based upon a repayment structure of 50 years ▪ In the event of a Federally declared emergency and service disruption, there will be a principal and interest deferral w/accretion of interest	▪ Bonds to receive payment from cash flows generated by a connectivity fixed charge ▪ Fixed charge will be used to turbo amortize bonds subject to an amortization schedule that provides for an earliest maturity of 35 years, and revenue bonds will also have a fixed charge covenant at 1.0x based upon a repayment structure of 50 years(2) ▪ Permit bond refinancing using same connectivity charge provided that the CVI cannot be made any worse off following the bond refinancing than it would have been absent the bond refinancing, including as a result of changes in coupon, notional amount outstanding, amortization, or maturity
Coupon	▪ 6.00%	▪ 6.75%
Bond Call Provision	▪ 10-year non-call provision; then callable at par	▪ Non-callable for 20 years; callable at par thereafter ▪ Bonds shall include a "tax call" provision to permit an earlier call at 10.5 years after issuance and at any time thereafter, at a make-whole price (T+100) upon the occurrence of a qualified transaction (a transaction, based on an opinion of PREPA's tax counsel, that would cause interest on the Bonds to become taxable)

(1) Accrued Claim includes all pre- and post-petition accrued interest through the effective date of a plan. In the original RSA, this was accomplished by exchanging outstanding principal and interest accrued through May 1, 2019, with administrative claims accruing from May 1, 2019 onward at 5.25%

(2) For the avoidance of doubt, any cash flows in excess of the amount necessary to pay debt service P&I up to the 35-year amortization schedule will flow to the CVI

August 4th Proposal – Comparison (Cont.)

	July 27th FOMB Proposal	August 4th Proposal
Maturity	▪ 50-year final maturity with 35 year expected repayment using customer data as of 2021	▪ 35-year earliest maturity; final maturity of 50 years
Tax Status	▪ Tax-exempt	▪ Tax-exempt
Security	▪ Revenue Bond with Net Pledge on Revenues	▪ Revenue bond with Gross Pledge on Revenues
DSRF	▪ None	▪ None
Payment Default	▪ No default on Bond for failure to pay debt service prior to maturity as long as Debt Charge is used to pay debt service ▪ Interest shall continue to accrue at original Coupon Rate until Bonds paid in full	▪ No default on bonds for failure to pay debt service prior to maturity as long as debt service charge is calculated, assessed, and collected as required, is used to pay debt service, and PREPA complies with 1.0x coverage to ensure 50-year maturity ▪ Interest shall continue to accrue and accrete on overdue principal and interest at original coupon rate until bonds are paid in full

Contingent Value Instrument	▪ $2.542 billion or 30% of Petition Claim
	▪ 50-year final maturity and payable only after full repayment of Revenue Bonds
	▪ Any unpaid balance on the CVI after year 50 will be extinguished and will not be paid
	▪ Taxable instrument and non-interest bearing
	▪ Call protection similar to CW CVI
	▪ The CVI will not project any positive cashflow under the 2022 Fiscal Plan
		▪ CVI to be funded by proceeds, if any, of (i) annual cash flows generated by the connectivity charge in excess of the amount necessary each year to fund Bond P&I up to the 35-year amortization schedule, and (ii) the volumetric charge. Following the final amortization payment of the revenue bonds, 100% of the cash flows generated by the connectivity charge shall be used to pay the CVI(1)
		▪ CVI payments to be capped at the amount necessary to achieve a present value as of the effective date (using a 12% discount rate) of the difference between bondholders' prepetition claim and the amount of new bonds issued under the plan(2)
		▪ Parties to continue to discuss mechanisms to obtain tax exemption on all or part of the CVI
		▪ Non-callable for 20 years, then callable at a price equal to the present value (discounted to the call date at T+100) of future cash flows payable to the CVI through year 50 assuming:
		  ▪ 0.67c/kWh volumetric charge would have been paid to bondholders on an annual basis and annual load would have equaled the average of the load in the three years preceding the call date, and
		  ▪ CPI would have equaled 2%/yr and the number of customers would have equaled the average of the number of customers in the three years preceding the call date

(1) For the avoidance of doubt, if any bonds are called, CVI payments will continue unaffected unless the CVI is also called
(2) For settlement purposes only. Bondholders believe they are entitled to payment on their full Accrued Claim

August 4th Proposal – Comparison (Cont.)

	July 27th FOMB Proposal	August 4th Proposal
Volumetric Charge	▪ None	▪ Volumetric charge of 0.67c/kWh charged on an annual basis on total consumption to fund CVI(1) ▪ CVI will only receive proceeds of 0.67c/kWh charge in any fiscal year to the extent cumulative load through that year exceeds the FY21 fiscal plan forecast cumulative load through that year ▪ In any fiscal year in which cumulative load equals or is less than projected cumulative load under the FY21 fiscal plan, PREPA will retain the proceeds of the 0.67c/kWh charge in that fiscal year, which may be used to rebate consumers or fund operating expenses
Fees	▪ None	▪ No change to May 6th Proposal
Other	▪ Court ordered protections on cash collection and payment enforceability	▪ Court-ordered protections on cash collection and payment enforceability ▪ Will waive right to appoint a receiver ▪ Will agree to ability to sell PREPA and transfer debt to purchaser or SPV with negotiated protections, such as ratings requirements and maintenance of tax-exemption ▪ RSA protections including breakup fee ▪ Projected CVI payments to be included in PREPA's budget to PREB ▪ Monolines to be separately classified ▪ Other court-ordered legal protections and required approvals to ensure valid bond issuance, covenants, and other terms, to be agreed upon by the parties

(1) For the avoidance of doubt, the volumetric charge will be applied every year to each consumer's total consumption, but the CVI will only receive the proceeds of the charge in years in which the cumulative outperformance trigger has been met

PREPA Rate Subsidies

PREPA Subsidizes the Commonwealth

The rates proposed by bondholders are affordable for all consumer classes. To the extent the FOMB wishes to lower the rates that would otherwise be charged, FOMB and AAFAF can eliminate PREPA subsidies or require the Commonwealth to reimburse PREPA

- PREPA ratepayers have long been required by the Commonwealth to pay for subsidies to municipalities, business, agriculture and PREB, with little to no justification or benefit to PREPA
- **In FY 2022, these subsidies (including CILT, discussed on page 8) are forecasted to cost ratepayers $191mm, or 1.14 c/kWh for residential ratepayers**

Payments	PREPA FY 2022 Subsidy Forecast
Municipal Public Lighting	$88,891,116
CILT Payments	78,945,960
Contribution to Puerto Rico Energy Bureau	16,759,550
Credit to Qualifying Hotels and Boarding Houses	2,386,114
Downtown Commerce Subsidy	929
Irrigation District	4,152,000
General Agricultural Service Rate (not mandated by law)	501,829
Total	**$191,641,156**

Electricity rates can be lowered by requiring the Commonwealth to reimburse PREPA for its subsidies

PREPA Subsidies to the Commonwealth Are a Policy Choice

Subsidies provided by PREPA to the Commonwealth cannot be justified if PREPA is to be considered independent of the Commonwealth

- As a matter of public policy, Commonwealth law requires PREPA to subsidize certain business and agriculture, municipalities, public lighting, and its regulator. PREPA also provides other subsidies not required by law
- In FY 2020 and FY 2021, PREPA spent ~$180mm each year on these subsidies and go-forward spend is projected to remain at similar levels
  - **Present value of $180mm/yr in subsidies provided by PREPA to the Commonwealth for the next 50 years is ~$2.6bn[(1)]**

Street Lighting

- Street and highway lighting subsidy costs PREPA ratepayers, including those in the lower income brackets, ~$89mm per year
  - In the 50 states this cost is typically paid by the local government, not passed on to ratepayers

CILT

- The Commonwealth requires PREPA ratepayers to pay unnecessary subsidies to municipalities in the form of alleged "contributions in lieu of taxes" (CILT). Revisiting this policy choice would result in approximately $79mm per year in additional debt service capacity
- CILT payments, despite the name, are not payments in lieu of municipal taxes. Instead, municipalities receive free energy based on historical consumption, and the cost of that electricity is passed along to PREPA ratepayers, who end up paying approximately $79mm per year
- CILT payments are unique to PREPA among the Commonwealth's other enterprise funds. Both PRASA and HTA own property in municipalities and are exempt from municipal taxes, but neither PRASA nor HTA are required to provide municipalities anything like CILT[(2)]

(1) Present value calculated using assumed 6.75% discount rate for illustrative purposes
(2) 22 L.P.R.A. § 156; 9 L.P.R.A. § 2017

PREPA Rate Subsidization Options

Other mechanisms that can be used to subsidize electricity rates include using Commonwealth cash and debt capacity and / or the Commonwealth assuming PREPA's pension obligations

Option	*Considerations*
Commonwealth Cash	▪ The Commonwealth currently has $8.3bn in its TSA account. The FOMB submitted expert testimony during confirmation that $2.8bn of projected liquidity post emergence was sufficient to meet the Commonwealth's cash needs, ***meaning the Commonwealth currently has ~$5bn of excess cash and growing***(1) ▪ Commonwealth cash can be used to reimburse PREPA or otherwise subsidize electricity rates
Commonwealth Debt Capacity	▪ The Commonwealth has very low leverage. According to the FOMB's expert, its debt sustainability metrics compare favorably to US states that are rated investment grade(2) ▪ The Commonwealth's current debt service to own source revenues of 6.5% leaves the Commonwealth with approximately $250mm/yr in debt service capacity under its recently enacted debt limit, or at least ~$4bn in debt capacity ▪ Commonwealth debt issuance can be used to reimburse PREPA or otherwise subsidize electricity rates
Commonwealth Assumption of PREPA Pensions	▪ In light of LUMA's operational control, PREPA receives little operational benefit from paying the pensions in full ▪ According to the PREPA Fiscal Plan, paying the PREPA pensions in full will costs ratepayers an average of ~1.9c/kWh(3) ▪ To the extent the Commonwealth nonetheless wants PREPA pensions to be paid at higher recoveries than bonds for public policy reasons that benefit the Commonwealth more generally, it should be the Commonwealth's obligation to fund these obligations
Commonwealth Reimbursement of PREPA for Cost of Net Metering Laws	▪ The existing net metering laws represent a policy choice by the Commonwealth to subsidize solar adoption by increasing the cost of electricity paid by other consumers ▪ To the extent the Commonwealth wishes to subsidize solar adoption as a matter of public policy, the Commonwealth should be required to pay for such subsidy itself rather than effectively asking bondholders to bear the cost

(1) See pages 27-29 of Murray Declaration
(2) See pages 29-44 of Murray Declaration
(3) Per Exhibit 68 of the Fiscal Plan

EXHIBIT B

FOMB PROPOSAL SUMMARY

PREPA Proposal to Bondholders

September 13, 2022

Provided Pursuant to Court Ordered Mediation / Subject to FRE 408
Prepared with Advice of and at the Request of Counsel

Overview of Key Terms of the September 13 FOMB Proposal

- **Exchange Ratio as of the Effective Date:** 73.9% of Petition Date Claim
  - No support fees or reimbursement of professional fees
- **Coupon / Tax Status:** 6.00% / Tax-exempt
- **Maturity:** 50-year final maturity with expected repayment of 43 years
- **Connectivity Fixed Charge:** Equivalent to a 2.596 c/kWh Volumetric Charge to be allocated among residential, commercial, industrial and other classes and will only be charged until the Revenue Bonds are paid in full
  - Fixed charges based on metrics to be determined by the FOMB
  - In addition, subject to necessary approvals, 1.0 c/kWh volumetric charge following signing of new RSA until the plan effective date and applied to accrued interest on the existing debt upon plan consummation
- **Call Protection:** 10-year non-call then callable at par
- **Structure:** Revenue Bonds will turbo from Connectivity Fixed Charge receipts after payment of interest and scheduled principal
  - No Debt Service Reserve Fund Requirement
  - Net pledge of revenues with fixed charge adjustments required to ensure that all interest is paid currently
    - In the event that principal remains outstanding after 50-year final maturity, the charge will continue until principal is repaid
  - In the event of a Federally declared disaster as a result of a storm or other catastrophic event that disrupts service, the Commonwealth may choose to defer debt service for up to one year; if deferred, interest will accrete until paid

Overview of Key Terms of the September 13 FOMB Proposal Continued

- **Contingent Value Instrument:** Capped at 30.0% of Petition Date Claim
  - 50-year final maturity, calculated annually and payable one year after payment calculation determines that payment is due under the CVI
    - Any unpaid balance on the CVI after year 50 will be extinguished without further payment
  - Taxable instrument, non-interest bearing with NO requirement to use best efforts to obtain tax-exemption
  - Call protection structure to match Commonwealth CVI structure
  - Cash flow for the Board's CVI will be related to operational reductions in rates compared to 2022 Fiscal Plan and will pay out 0.30 c/kWh for every 1.0 c/kWh reduction for two years and then 0.50 c/kWh for every 1.0 c/kWh reduction for following years (after two years) from the 2022 Fiscal Plan with the following conditions:
    - Savings as a result of a reduction in any Fuel surcharge will be excluded from the calculation, meaning that CVI payments will not be based on any reduction in any fuel surcharge.
    - Debt Service on the Revenue Bonds and any future debt issued by PREPA will be deducted from the 2022 Fiscal Plan projections; this occurs to keep the projected customer bill at or below the 2022 Fiscal Plan projections prior to triggering the CVI cash flow payments
    - Similar to the debt service adjustment, any contractual payments due the T&D and Generation operator, not already accounted for in the 2022 Fiscal Plan, will be deducted from the 2022 Fiscal Plan projections prior to triggering the CVI cash flow payments

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